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SOURCE Vilagossag.DESCRIBES ROLE OF TRUSTS IN HUNGARIAN ECONOMY

The function of trusts in Hungary is now the same as that of trusts in the Soviet Union. The task of the trust is the direction of economic enterprises. Horizontal trusts direct enterprises of a similar nature (i.e., many superstructure construction enterprises directed by a construction industry trust), and vertical trusts direct enterprises concerned with various phases of a single production line (i.e., trusts directing lumber-producing, lumber-cutting, and furniture industry enterprises).

The socialistic trust aims at increased realization of socialist planned economy in the work of its enterprises. Thus the trust aids the enterprises in the execution of their plans, provides for securing plan prerequisites, unifies plan interconnections, and controls the most profitable utilization of machines and installations. In socialist trusts, the independent nature of enterprises and the responsibility of enterprise directors remains undiminished. Each enterprise has its own plan, is responsible for its execution, for its plan results, and determines remuneration of its employees entirely on the basis of its own activity.

The founding of trusts was necessitated by the failure of medium-level directing organs, the industrial centers, to prove adequate to the increasing problems of industry. The task of the trusts now is to improve economic directing activity, and to insure the most economical exploitation of production facilities within various larger groups of enterprises.

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